

# EXHIBIT 3

**QUARTERLY STATEMENT  
OF THE  
DC CHARTERED HEALTH PLAN, INC.**

**of  
Washington  
in the state of  
District of Columbia**

**TO THE  
Insurance Department  
OF THE STATE OF  
District of Columbia**

**FOR THE QUARTER ENDED  
MARCH 31, 2016**

**2016**

HEALTH

**2016**

## **Amended Statement Cover**

### Reason for Amended Filing

Audit adjustment to record interest and penalty on federal income taxes – prior period adjustment to surplus and current period adjustment expenses.



**QUARTERLY STATEMENT**  
**AS OF MARCH 31, 2016**  
**OF THE CONDITION AND AFFAIRS OF THE**  
**DC CHARTERED HEALTH PLAN, INC.**

NAIC Group Code	0000	0000	NAIC Company Code	95748	Employer's ID Number	52-1492499
	(Current Period)	(Prior Period)				
Organized under the Laws of	District of Columbia		State of Domicile or Port of Entry	District of Columbia		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[ ] Dental Service Corporation[ ] Other[ ]		Property/Casualty[ ] Vision Service Corporation[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]		Hospital, Medical & Dental Service or Indemnity[ ] Health Maintenance Organization[X]	
Incorporated/Organized	09/12/1986		Commenced Business	09/12/1986		
Statutory Home Office	1120 Vermont Avenue NW (Street and Number)		Washington, DC, US 20005 (City or Town, State, Country and Zip Code)			
Main Administrative Office	1120 Vermont Avenue NW (Street and Number)		Washington, DC, US 20005 (City or Town, State, Country and Zip Code)			
	Washington, DC, US 20005 (City or Town, State, Country and Zip Code)		(202)216-2304 (Area Code) (Telephone Number)			
Mail Address	1120 Vermont Avenue NW (Street and Number or P.O. Box)		Washington, DC, US 20005 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	1120 Vermont Avenue NW (Street and Number)		Washington, DC, US 20005 (City or Town, State, Country and Zip Code)			
	Washington, DC, US 20005 (City or Town, State, Country and Zip Code)		(202)216-2304 (Area Code) (Telephone Number)			
Internet Web Site Address	www.chartered-health.com					
Statutory Statement Contact	Edward Frederick Oswald (Name)		(314)495-1234 (Area Code) (Telephone Number) (Extension)			
	eoswald55@gmail.com (E-Mail Address)					
			(Fax Number)			

**OFFICERS**

Name	Title
	President
	Secretary
	Treasurer

**OTHERS**

Daniel Lawrence Watkins, Special Deputy to the Rehabilitator for DC Charter

**DIRECTORS OR TRUSTEES**

State of District of Columbia  
County of ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

<u>(Signature)</u> Daniel Lawrence Watkins <u>(Printed Name)</u> 1. Special Deputy Rehabilitator <u>(Title)</u>	<u>(Signature)</u> Edward Frederick Oswald <u>(Printed Name)</u> 2. Interim CFO <u>(Title)</u>	<u>(Signature)</u> <u>(Printed Name)</u> 3. Treasurer <u>(Title)</u>
Subscribed and sworn to before me this _____ day of _____, 2016	a. Is this an original filing? b. If no, 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes[ ] No[X] 1 6
<u>(Notary Public Signature)</u>		

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....				
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....				
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....				
5. Cash (\$.....167,675), cash equivalents (\$.....6,852,202) and short-term investments (\$.....0) .....	7,019,877		7,019,877	7,083,093
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives .....				
8. Other invested assets .....				
9. Receivables for securities .....				
10. Securities lending reinvested collateral assets .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	7,019,877		7,019,877	7,083,093
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....				
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....				
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....				
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....				
18.2 Net deferred tax asset .....				
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets (\$.....0) .....				
22. Net adjustments in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....				
24. Health care (\$.....0) and other amounts receivable .....				
25. Aggregate write-ins for other-than-invested assets .....	56,485	56,485		
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	7,076,362	56,485	7,019,877	7,083,093
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	7,076,362	56,485	7,019,877	7,083,093
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. Prepaid Insurance .....	56,485	56,485		
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	56,485	56,485		

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded) .....	10,524,573		10,524,573	10,524,573
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....				
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....				
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserve .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....				
9. General expenses due or accrued .....	10,692,682		10,692,682	10,476,800
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)) .....	182,093		182,093	182,093
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....				
13. Remittances and items not allocated .....				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....				
16. Derivatives .....				
17. Payable for securities .....				
18. Payable for securities lending .....				
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers) .....				
20. Reinsurance in unauthorized and certified (\$.....0) companies .....				
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				
22. Liability for amounts held under uninsured plans .....				
23. Aggregate write-ins for other liabilities (including \$.....0 current) .....				
24. Total liabilities (Lines 1 to 23) .....	21,399,348		21,399,348	21,183,466
25. Aggregate write-ins for special surplus funds .....	X X X	X X X		
26. Common capital stock .....	X X X	X X X	100	100
27. Preferred capital stock .....	X X X	X X X		
28. Gross paid in and contributed surplus .....	X X X	X X X	4,690,419	4,690,419
29. Surplus notes .....	X X X	X X X		
30. Aggregate write-ins for other-than-special surplus funds .....	X X X	X X X		
31. Unassigned funds (surplus) .....	X X X	X X X	(19,069,991)	(18,790,893)
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0) .....	X X X	X X X		
32.2 .....0 shares preferred (value included in Line 27 \$.....0) .....	X X X	X X X		
33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....	X X X	X X X	(14,379,472)	(14,100,374)
34. Total Liabilities, capital and surplus (Lines 24 and 33) .....	X X X	X X X	7,019,877	7,083,092
<b>DETAILS OF WRITE-INS</b>				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....				
2501. ....	X X X	X X X		
2502. ....	X X X	X X X		
2503. ....	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	X X X	X X X		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	X X X	X X X		
3001. ....	X X X	X X X		
3002. ....	X X X	X X X		
3003. ....	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	X X X	X X X		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	X X X	X X X		

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months .....	X X X			
2. Net premium income (including \$.....0 non-health premium income) .....	X X X			
3. Change in unearned premium reserves and reserves for rate credits .....	X X X			
4. Fee-for-service (net of \$.....0 medical expenses) .....	X X X			
5. Risk revenue .....	X X X			
6. Aggregate write-ins for other health care related revenues .....	X X X			
7. Aggregate write-ins for other non-health revenues .....	X X X			
8. Total revenues (Lines 2 to 7) .....	X X X			
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....		(3,984)	(59,506)	(265,143)
10. Other professional services .....				
11. Outside referrals .....				
12. Emergency room and out-of-area .....				
13. Prescription drugs .....				
14. Aggregate write-ins for other hospital and medical .....				
15. Incentive pool, withhold adjustments and bonus amounts .....				
16. Subtotal (Lines 9 to 15) .....		(3,984)	(59,506)	(265,143)
<b>Less:</b>				
17. Net reinsurance recoveries .....				
18. Total hospital and medical (Lines 16 minus 17) .....		(3,984)	(59,506)	(265,143)
19. Non-health claims (net) .....				
20. Claims adjustment expenses, including \$.....0 cost containment expenses .....				
21. General administrative expenses .....		174,092	333,562	1,598,941
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....				
23. Total underwriting deductions (Lines 18 through 22) .....		170,108	274,056	1,333,798
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X	(170,108)	(274,056)	(1,333,798)
25. Net investment income earned .....		1,692	1,589	5,466
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....				
27. Net investment gains or (losses) (Lines 25 plus 26) .....		1,692	1,589	5,466
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....				
29. Aggregate write-ins for other income or expenses .....		(3,441)		
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	X X X	(171,857)	(272,467)	(1,328,332)
31. Federal and foreign income taxes incurred .....	X X X			
32. Net income (loss) (Lines 30 minus 31) .....	X X X	(171,857)	(272,467)	(1,328,332)
<b>DETAILS OF WRITE-INS</b>				
0601. ....	X X X			
0602. ....	X X X			
0603. ....	X X X			
0698. Summary of remaining write-ins for Line 6 from overflow page .....	X X X			
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X			
0701. ....	X X X			
0702. ....	X X X			
0703. ....	X X X			
0798. Summary of remaining write-ins for Line 7 from overflow page .....	X X X			
0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	X X X			
1401. ....				
1402. ....				
1403. ....				
1498. Summary of remaining write-ins for Line 14 from overflow page .....				
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....				
2901. Other income (expense) .....		(3,441)		
2902. ....				
2903. ....				
2998. Summary of remaining write-ins for Line 29 from overflow page .....				
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....		(3,441)		

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year .....	(14,100,374)	(12,838,681)	(12,838,680)
34. Net income or (loss) from Line 32 .....	(171,857)	(272,467)	(1,328,332)
35. Change in valuation basis of aggregate policy and claim reserves .....			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 .....			
37. Change in net unrealized foreign exchange capital gain or (loss) .....			
38. Change in net deferred income tax .....			
39. Change in nonadmitted assets .....	15,405	20,423	66,638
40. Change in unauthorized and certified reinsurance .....			
41. Change in treasury stock .....			
42. Change in surplus notes .....			
43. Cumulative effect of changes in accounting principles .....			
44. Capital Changes:			
44.1 Paid in .....			
44.2 Transferred from surplus (Stock Dividend) .....			
44.3 Transferred to surplus .....			
45. Surplus adjustments:			
45.1 Paid in .....			
45.2 Transferred to capital (Stock Dividend) .....			
45.3 Transferred from capital .....			
46. Dividends to stockholders .....			
47. Aggregate write-ins for gains or (losses) in surplus .....	(122,645)		
48. Net change in capital and surplus (Lines 34 to 47) .....	(279,097)	(252,044)	(1,261,694)
49. Capital and surplus end of reporting period (Line 33 plus 48) .....	(14,379,471)	(13,090,725)	(14,100,374)
<b>DETAILS OF WRITE-INS</b>			
4701. Prior period adjustment .....	(122,645)		
4702. ....			
4703. ....			
4798. Summary of remaining write-ins for Line 47 from overflow page .....			
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....	(122,645)		



**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance .....			
2. Net investment income .....	1,692	1,589	5,466
3. Miscellaneous income .....			
4. TOTAL (Lines 1 to 3) .....	1,692	1,589	5,466
5. Benefit and loss related payments .....	(3,984)	(59,506)	(265,143)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
7. Commissions, expenses paid and aggregate write-ins for deductions .....	(38,349)	180,195	1,110,533
8. Dividends paid to policyholders .....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....			
10. TOTAL (Lines 5 through 9) .....	(42,333)	120,689	845,390
11. Net cash from operations (Line 4 minus Line 10) .....	44,025	(119,100)	(839,924)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....			
12.2 Stocks .....			
12.3 Mortgage loans .....			
12.4 Real estate .....			
12.5 Other invested assets .....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....			
12.7 Miscellaneous proceeds .....			
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7) .....			
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....			
13.2 Stocks .....			
13.3 Mortgage loans .....			
13.4 Real estate .....			
13.5 Other invested assets .....			
13.6 Miscellaneous applications .....			
13.7 TOTAL investments acquired (Lines 13.1 to 13.6) .....			
14. Net increase (or decrease) in contract loans and premium notes .....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....			
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....			
16.2 Capital and paid in surplus, less treasury stock .....	0		
16.3 Borrowed funds .....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....			
16.5 Dividends to stockholders .....			
16.6 Other cash provided (applied) .....	(107,240)	20,424	66,638
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....	(107,240)	20,424	66,638
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(63,216)	(98,676)	(773,286)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year .....	7,083,090	7,856,376	7,856,376
19.2 End of period (Line 18 plus Line 19.1) .....	7,019,874	7,757,700	7,083,090
<b>Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:</b>			
20.0001 .....			

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year .....										
2. First Quarter .....										
3. Second Quarter .....										
4. Third Quarter .....										
5. Current Year .....										
6. Current Year Member Months .....										
Total Member Ambulatory Encounters for Period:										
7. Physician .....										
8. Non-Physician .....										
9. Total .....										
10. Hospital Patient Days Incurred .....										
11. Number of Inpatient Admissions .....										
12. Health Premiums Written (a) .....										
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....										
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	(3,984)								(3,984)	
18. Amount Incurred for Provision of Health Care Services .....	(3,984)								(3,984)	
(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ .....	(3,984)								(3,984)	

## CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

## Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
0199999 Individually Listed Claims Unpaid						
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered						
0499999 Subtotals					10,524,573	10,524,573
0599999 Unreported claims and other claim reserves					10,524,573	10,524,573
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						
0899999 Accrued Medical Incentive Pool And Bonus Amounts						10,524,573

**UNDERWRITING AND INVESTMENT EXHIBIT****ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE**

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1-3)	Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year
1. Comprehensive (hospital & medical)			584,616		584,616	584,616
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid	(3,984)		9,959,957		9,955,973	9,959,957
8. Other health						
9. Health subtotal (Lines 1 to 8)	(3,984)		10,524,573		10,520,589	10,524,573
10. Healthcare receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals (Lines 9 - 10 + 11 + 12)	(3,984)		10,524,573		10,520,589	10,524,573

(a) Excludes \$.00 loans or advances to providers not yet expensed.

## Notes to Financial Statement

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The financial statements of DC Chartered Health Plan (Chartered) are presented on the basis of accounting practices prescribed or permitted by the District of Columbia Department of Insurance, Securities and Banking (DISB).

The DISB recognizes only statutory accounting practices prescribed or permitted by the District of Columbia (District) for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the District of Columbia Insurance Code. The DISB has adopted the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* as a component of prescribed and permitted practices for the District. The DISB has the right to permit specific practices that deviate from prescribed practices. There is no deviation from the NAIC *Accounting Practices and Procedures Manual*.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the District of Columbia Department of Insurance, Securities and Banking is shown below:

		State of Domicile	2016	2015
	<u>NET INCOME</u>			
(1)	State basis (Page 4, Line 32, Columns 2 & 3)	DC	\$(171,857)	\$(1,328,332)
(2)	State Prescribed Practices that increase/(decrease) NAIC SAP:			
(201)				
(299)	Total		\$0	\$0
(3)	State Permitted Practices that increase/(decrease) NAIC SAP:			
(301)				
(399)	Total		\$0	\$0
(4)	NAIC SAP (1-2-3=4)		\$(171,857)	\$(1,328,332)
	<u>SURPLUS</u>			
(5)	State basis (Page 3, Line 33, Columns 3 & 4)	DC	\$(14,379,472)	\$(14,100,374)
(6)	State Prescribed Practices that increase/(decrease) NAIC SAP:			
(601)				
(699)	Total		\$0	\$0
(7)	State Permitted Practices that increase/(decrease) NAIC SAP:			
(701)				
(799)	Total		\$0	\$0
(8)	NAIC SAP (5-6-7=8)		\$(14,379,472)	\$(14,100,374)

#### B. Use of Estimates in the Preparation of the Financial Statements - No Material Change

#### C. Accounting Policy

(1) – (5) No Material Change

(6) Loan-backed securities – None

(7) – (13) No Material Change

#### D. Going Concern – None

### 2. Accounting Changes and Corrections of Errors

These financial statements include a prior period audit adjustment of \$122,645 to surplus for interest and penalty on federal income taxes.

## **Notes to Financial Statement**

### **3. Business Combinations and Goodwill**

- D. Statutory Purchase Method – No Material Change
- E. Statutory Merger – No Material Change
- F. Assumption Reinsurance – No Material Change
- G. Impairment Loss - No Material Change

### **4. Discontinued Operations**

No Material Change

### **5. Investments**

- A, B, C – No Material Change
- D. Debt Restructuring – None
- E. Repurchase Agreements and/or Securities Lending Transactions
  - (1) Policy for requiring collateral or other security – No material change
  - (2) Carrying amount and classification of both those assets and associated liabilities – No material change
  - (3) Collateral accepted that it is permitted by contract or custom to sell or repledge:
    - a. Aggregate amount of contractually obligated open collateral positions – No material change
    - b. Fair value of that collateral and of the portion of that collateral that it has sold or repledged – None
    - c. Information about the sources and uses of that collateral – No material change
  - (4) Aggregate value of the reinvested collateral which is “one-line” reported and the aggregate reinvested collateral which is reported in the investment schedules – No material change
  - (5) Reinvestment of the cash collateral and any securities which it or its agent receives as collateral that can be sold or repledged – No material change
  - (6) Collateral accepted that it is not permitted by contract or custom to sell or repledge – No material change
  - (7) Collateral for transactions that extend beyond one year from the reporting date – No material change
- F, G, H – No Material Change
- I. Working Capital Finance Investments
  - (2) Aggregate book/adjusted carrying value maturity distributions on the underlying Working Capital Finance Programs – None
  - (3) Events of default of working capital finance investments during the reporting period - None
- J. Offsetting and Netting of Assets and Liabilities - None

### **6. Joint Ventures, Partnerships and Limited Liability Companies**

No Material Change

### **7. Investment Income**

No Material Change

### **8. Derivative Instruments**

No Material Change

### **9. Income Taxes**

No Material Change

### **10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

No Material Change

## Notes to Financial Statement

### 11. Debt

- A. Outstanding Debt – No Material Change
- B. FHLB (Federal Home Loan Bank) Agreements – None

### 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans.

#### A. Defined Benefit Plan – No Material Change

- (1) Change in benefit obligation – No Material Change
- (2) Change in plan assets- No Material Change
- (3) Funded status – No Material Change
- (4) Amount of Net Periodic Benefit Cost recognized – None
- (5) Net Gain or Loss and Net Prior Service Cost or credit recognized in unassigned funds (surplus) – No Material Change
- (6) Amount in unassigned funds (surplus) expected to be recognized as components of net periodic benefit cost over the fiscal year – No Material Change
- (7) Amount in unassigned funds (surplus) that have not been recognized as components of net periodic benefit cost – No Material Change
- (8) Weighted-average assumptions used to determine net period benefit cost – No Material Change
- (9) Amount of accumulated benefit obligations for defined benefit pension plans – No Material Change
- (10) Assumed Health care cost trend rate for the next year used to measure the expected cost of benefit covered by the plan – No Material Change
- (11) Effect of one percentage point increase and decrease in the assumed health cast trend rates – No Material Change
- (12) Estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years – No Material Change
- (13) Regulatory contribution requirements – No Material Change
- (14) Amounts and types of securities of the employer and related parties included in the plan assets – No Material Change
- (15) Alternative amortization – No Material Change
- (16) Substantive commitment – No Material Change
- (17) Cost of providing special or contractual termination benefits – No Material Change
- (18) Explanation of any significant change in benefit obligations or plan assets – No Material Change
- (19) Amount and timing of any plan assets expected to be returned to the employer – No Material Change
- (20) First year accumulated postretirement and pension benefit obligation – No Material Change
- (21) Election of transition guidance – No Material Change

#### B. Defined Contribution Plan – No Material Change

- C. Multi-Employer Plan – No Material Change
- D. Consolidated/Holding Company Plans – No Material Change
- E. Post-Employment Benefits and Compensated Absences – No Material Change
- F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – No Material Change

### 13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

**Notes to Financial Statement**

No Material Change

**14. Contingencies**

- A. Contingent Commitments – No Material Change
- B. Assessments – No Material Change
- C. Gain Contingencies – No Material Change
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits – No Material Change
- E. All Other Contingencies – No Material Change

**15. Leases**

- A. Lessee Operating Lease – No Material Change
- B. Lessor Leases – No Material Change

**16. About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk**

No Material Change

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

- A. Transfers of Receivables reported as Sales – No Material Change
- B. Transfer and Servicing of Financial Assets
  - (1) Description of loaned securities – No material change
  - (2) Servicing Assets and Liabilities
    - a. Risks inherent in servicing assets and servicing liabilities – No Material Change
    - b. Amounts of contractually specified servicing fees, late fees and ancillary fees earned for each period – None
    - c. Assumptions used to estimate the fair value – No Material Change
  - (3) Servicing Assets and servicing liabilities are subsequently measured at fair value – No Material Change
  - (4) For securitizations, asset-backed financing arrangements, and similar transfers accounted for as sales when the transferor has continuing involvement (as defined in the glossary of the *Accounting Practices & Procedures Manual*) with the transferred financial assets:
    - a. Each income statement presented – None
    - b. Each statement of financial position presented, regardless of when the transfer occurred - None
    - c. Transfers of financial assets accounted for as secured borrowing – No Material Change
    - d. Transfers of receivables with recourse – No Material Change
    - e. Securities underlying repurchase and reverse repurchase agreements – No Material Change
- C. Wash Sales – None

**18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

- A. ASO Plans – No Material Change
- B. ASC Plans – No Material Change
- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract – No Material Change

**19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

No Material Change

**20. Fair Value Measurements**



**Notes to Financial Statement****A. Fair Market Value at Reporting Date**

1. Fair Value Measurements at Reporting Date – None
2. Fair Value Measurements in (Level 3) of the Fair Value Hierarchy – None
3. The Company does not have any securities valued at fair value.
4. The Company has not valued any securities at a Level 3.
5. Derivative assets and liabilities – None

**B. Fair Value information under SSAP No. 100 combined with Fair Value information Under Other Accounting Pronouncements – None****C. Aggregate Fair Value of All Financial Instruments**

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Cash Equivalents	\$6,852,202	\$6,852,202	\$0	\$6,852,202	\$0	\$0

**D. Not Practicable to Estimate Fair Value – None****21. Other Items**

- A. Unusual or Infrequent Items – No Material Change
- B. Troubled Debt Restructuring – No Material Change
- C. Other Disclosures and Unusual Items – No Material Change
- D. Business Interruption Insurance Recoveries – No Material Change
- E. State Transferable and Non-transferable Tax Credits – No Material Change
- F. Subprime-Mortgage-Related Risk Exposure – No Material Change
- G. Retained Assets – No Material Change
- H. Insurance-Linked Securities – No Material Change

**22. Events Subsequent**

Type I – Recognized Subsequent Events

No Material Change

Type II – Nonrecognized Subsequent Events

No Material Change

**23. Reinsurance**

No Material Change

**24. Retrospectively Rated Contracts & Contracts Subject to Redetermination**

A – D. No Material Change

E. Risk-Sharing Provisions of the Affordable Care Act (ACA) - None

**25. Changes in Incurred Losses and Loss Adjustment Expenses**

Reserves as of December 31, 2015 were \$10,524,573 for unpaid claims. As of March 31, 2016, \$(3,984) has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years are now \$10,524,573 as a result of re-estimation of unpaid claims. Therefore there has been a \$3,984 favorable prior year development since December 31, 2015 to March 31, 2016.

**26. Intercompany Pooling Arrangements**

No Material Change

**27. Structured Settlements**

## **Notes to Financial Statement**

No Material Change

**28. Health Care Receivables**

A. Pharmaceutical Rebate Receivables – No Material Change

B. Risk Sharing Receivables – No Material Change

**29. Participating Policies**

No Material Change

**30. Premium Deficiency Reserves**

No Material Change

**31. Anticipated Salvage and Subrogation**

No Material Change

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES****GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[ ] No[X]  
 1.2 If yes, has the report been filed with the domiciliary state? Yes[ ] No[ ] N/A[X]  
 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[ ] No[X]  
 2.2 If yes, date of change: .....  
 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[ ]  
 If yes, complete Schedule Y, Parts 1 and 1A.  
 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[ ] No[X]  
 3.3 If the response to 3.2 is yes, provide a brief description of those changes:  
 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]  
 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile
.....	.....	.....

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes[ ] No[X] N/A[ ]  
 If yes, attach an explanation.  
 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2007 .....  
 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .... 12/31/2007 .....  
 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .... 12/31/2008 .....  
 6.4 By what department or departments?  
 District of Columbia Department of Insurance, Securities and Banking  
 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[X] No[ ] N/A[ ]  
 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[ ] N/A[ ]  
 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[ ] No[X]  
 7.2 If yes, give full information  
 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[ ] No[X]  
 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[ ] No[X]  
 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC
.....	.....	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[ ]  
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 (c) Compliance with applicable governmental laws, rules and regulations;  
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 (e) Accountability for adherence to the code.  
 9.11 If the response to 9.1 is No, please explain:  
 9.2 Has the code of ethics for senior managers been amended? Yes[ ] No[X]  
 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[ ] No[X]  
 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

**FINANCIAL**

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[ ] No[X]  
 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ ..... 0

**INVESTMENT**

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[ ] No[X]  
 11.2 If yes, give full and complete information relating thereto:  
 12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ ..... 0  
 13. Amount of real estate and mortgages held in short-term investments: \$ ..... 0

**GENERAL INTERROGATORIES (Continued)****INVESTMENT**

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes[ ] No[X]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....		
14.22 Preferred Stock .....		
14.23 Common Stock .....		
14.24 Short-Term Investments .....		
14.25 Mortgages Loans on Real Estate .....		
14.26 All Other .....		
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....		
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....		

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes[ ] No[X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[ ] No[ ] N/A[X]

If no, attach a description with this statement.

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$ ..... 0

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$ ..... 0

16.3 Total payable for securities lending reported on the liability page

\$ ..... 0

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[ ]

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
CARDINAL BANK .....	8270 GREENSBORO DR. STE 500, MCLEAN, VA 22102 .....

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....	.....	.....

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes[ ] No[X]

17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....	.....	.....	.....

17.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
.....	.....	.....

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?

Yes[X] No[ ]

18.2 If no, list exceptions:

**GENERAL INTERROGATORIES**

**PART 2 - HEALTH**

1. Operating Percentages:	
1.1 A&H loss percent	0.000%
1.2 A&H cost containment percent	0.000%
1.3 A&H expense percent excluding cost containment expenses	0.000%
2.1 Do you act as a custodian for health savings accounts?	Yes[ ] No[X]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.	\$ 0
2.3 Do you act as an administrator for health savings accounts?	Yes[ ] No[X]
2.4 If yes, please provide the balance of the funds administered as of the reporting date.	\$ 0

**SCHEDULE S - CEDED REINSURANCE**

**Showing All New Reinsurance Treaties - Current Year to Date**

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
			<b>NONE</b>					

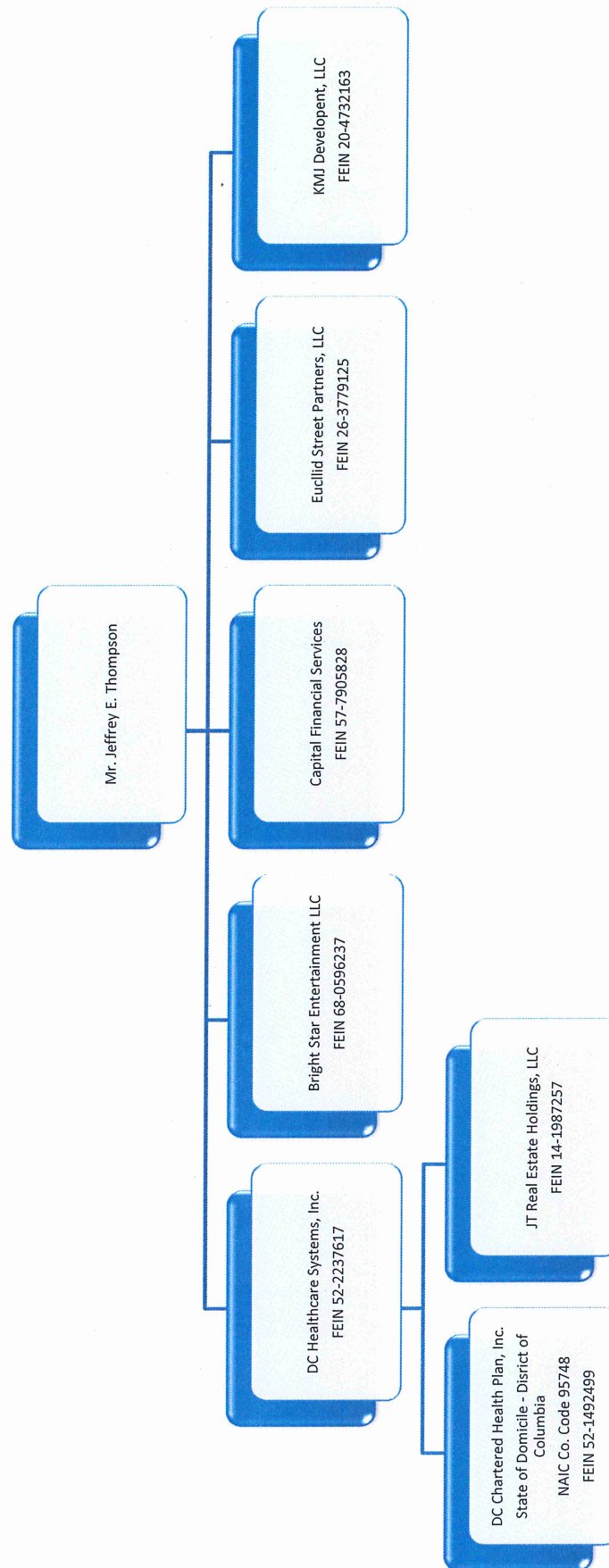
**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS****Current Year to Date - Allocated by States and Territories**

1	2	3	4	Direct Business Only					9
				5	6	7	8		
State, Etc.	Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama (AL) .....	N								
2. Alaska (AK) .....	N								
3. Arizona (AZ) .....	N								
4. Arkansas (AR) .....	N								
5. California (CA) .....	N								
6. Colorado (CO) .....	N								
7. Connecticut (CT) .....	N								
8. Delaware (DE) .....	N								
9. District of Columbia (DC) .....	L								
10. Florida (FL) .....	N								
11. Georgia (GA) .....	N								
12. Hawaii (HI) .....	N								
13. Idaho (ID) .....	N								
14. Illinois (IL) .....	N								
15. Indiana (IN) .....	N								
16. Iowa (IA) .....	N								
17. Kansas (KS) .....	N								
18. Kentucky (KY) .....	N								
19. Louisiana (LA) .....	N								
20. Maine (ME) .....	N								
21. Maryland (MD) .....	N								
22. Massachusetts (MA) .....	N								
23. Michigan (MI) .....	N								
24. Minnesota (MN) .....	N								
25. Mississippi (MS) .....	N								
26. Missouri (MO) .....	N								
27. Montana (MT) .....	N								
28. Nebraska (NE) .....	N								
29. Nevada (NV) .....	N								
30. New Hampshire (NH) .....	N								
31. New Jersey (NJ) .....	N								
32. New Mexico (NM) .....	N								
33. New York (NY) .....	N								
34. North Carolina (NC) .....	N								
35. North Dakota (ND) .....	N								
36. Ohio (OH) .....	N								
37. Oklahoma (OK) .....	N								
38. Oregon (OR) .....	N								
39. Pennsylvania (PA) .....	N								
40. Rhode Island (RI) .....	N								
41. South Carolina (SC) .....	N								
42. South Dakota (SD) .....	N								
43. Tennessee (TN) .....	N								
44. Texas (TX) .....	N								
45. Utah (UT) .....	N								
46. Vermont (VT) .....	N								
47. Virginia (VA) .....	N								
48. Washington (WA) .....	N								
49. West Virginia (WV) .....	N								
50. Wisconsin (WI) .....	N								
51. Wyoming (WY) .....	N								
52. American Samoa (AS) .....	N								
53. Guam (GU) .....	N								
54. Puerto Rico (PR) .....	N								
55. U.S. Virgin Islands (VI) .....	N								
56. Northern Mariana Islands (MP) .....	N								
57. Canada (CAN) .....	N								
58. Aggregate other alien (OT) .....	X X X								
59. Subtotal .....	X X X								
60. Reporting entity contributions for Employee Benefit Plans .....	X X X								
61. Total (Direct Business) .....	(a)..... 1								
<b>DETAILS OF WRITE-INS</b>									
58001. ....	X X X								
58002. ....	X X X								
58003. ....	X X X								
58998. Summary of remaining write-ins for Line 58 from overflow page .....	X X X								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above) .....	X X X								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER**  
**MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**





# **SCHEDULE Y** **PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	*
0		0					JEFFREY EARL THOMPSON	DC	UIP	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	
0		95748	52-1492499				DC CHARTERED HEALTH PLAN INC	DC	RE	DC HEALTHCARE SYSTEMS	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	14-1987257				JT Real Estate Holdings, LLC	DC	NIA	DC HEALTHCARE SYSTEMS	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	52-2237617				DC HEALTHCARE SYSTEMS	DC	UDP	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	52-1563500				THOMPSON, COBB, BAZILIO & ASSOCIATES, PC	DC	NIA	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	68-0596237				Bright Star Entertainment LLC	DC	NIA	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	57-7905828				Capital Financial Services	DC	NIA	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	26-3779125				EUCLED STREET PARTNERS, LLC	DC	NIA	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	
0		0	20-4732163				KMJ Development, LLC	DC	NIA	JEFFREY EARL THOMPSON	Ownership	100.0	JEFFREY EARL THOMPSON	
Asterisk	Explanation													
0000001	Footnote													

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

RESPONSE

No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



95748201638500001

2016

Document Code: 385



SI01 Schedule A Verification ..... NONE

SI01 Schedule B Verification ..... NONE

SI01 Schedule BA Verification ..... NONE

SI01 Schedule D Verification ..... NONE

SI02 Schedule D Part 1B ..... NONE

SI03 Schedule DA Part 1 ..... NONE

SI03 Schedule DA Verification ..... NONE

SI04 Schedule DB - Part A Verification ..... NONE

SI04 Schedule DB - Part B Verification ..... NONE

SI05 Schedule DB Part C Section 1 ..... NONE

SI06 Schedule DB Part C Section 2 ..... NONE

SI07 Schedule DB - Verification ..... NONE

**SCHEDULE E - Verification**

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	6,944,357	7,734,323
2. Cost of cash equivalents acquired .....	429,222,510	1,870,767,851
3. Accrual of discount .....		
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration received on disposals .....	429,314,665	1,871,557,817
7. Deduct amortization of premium .....		
8. Total foreign exchange change in book/adjusted carrying value .....		
9. Deduct current year's other than temporary impairment recognized .....		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....	6,852,202	6,944,357
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....	6,852,202	6,944,357

E01	Schedule A Part 2	NONE
E01	Schedule A Part 3	NONE
E02	Schedule B Part 2	NONE
E02	Schedule B Part 3	NONE
E03	Schedule BA Part 2	NONE
E03	Schedule BA Part 3	NONE
E04	Schedule D Part 3	NONE
E05	Schedule D Part 4	NONE
E06	Schedule DB Part A Section 1	NONE
E07	Schedule DB Part B Section 1	NONE
E08	Schedule DB Part D Section 1	NONE
E09	Schedule DB Part D Section 2 - Collateral Pledged By Reporting Entity	NONE
E09	Schedule DB Part D Section 2 - Collateral Pledged To Reporting Entity	NONE
E10	Schedule DL - Part 1 - Securities Lending Collateral Assets	NONE
E11	Schedule DL - Part 2 - Securities Lending Collateral Assets	NONE

**SCHEDULE E - PART 1 - CASH****Month End Depository Balances**

1			2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
Depository			Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6 First Month	7 Second Month	8 Third Month	*
<b>open depositories</b>										
Cardinal Bank-General Checking .....	Washington DC .....						28,494	108,031	92,185	X X X
Cardinal Bank-Medicaid Claims .....	Washington DC .....						75,490	75,490	75,490	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories .....			X X X	X X X						X X X
0199999 Totals - Open Depositories .....			X X X	X X X			103,983	183,521	167,675	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories .....			X X X	X X X						X X X
0299999 Totals - Suspended Depositories .....			X X X	X X X						X X X
0399999 Total Cash On Deposit .....			X X X	X X X			103,983	183,521	167,675	X X X
0499999 Cash in Company's Office .....			X X X	X X X	X X X	X X X				X X X
0599999 Total Cash .....			X X X	X X X			103,983	183,521	167,675	X X X

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter							
1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
7799999 Subtotals - Bonds - Total Bonds - Issuer Obligations .....							
7899999 Subtotals - Bonds - Total Bonds - Residential Mortgage-Backed Securities .....							
7999999 Subtotals - Bonds - Total Bonds - Commercial Mortgage-Backed Securities .....							
8099999 Subtotals - Bonds - Total Bonds - Other Loan-Backed and Structured Securities .....							
8399999 Subtotals - Bonds - Total Bonds .....							
<b>Sweep Accounts</b>							
Cash-Cardinal Bank Medicaid Repo .....		12/31/2015	0.002	01/01/2016	6,852,202		1,722
8499999 Sweep Accounts .....					6,852,202		1,722
8599999 Other Cash Equivalents .....							
8699999 Total - Cash Equivalents .....					6,852,202		1,722



## INDEX TO HEALTH QUARTERLY STATEMENT

Accounting Changes and Corrections of Errors; Q10, Note 2; Q11  
 Accounting Practices and Policies; Q5; Q10, Note 1  
 Admitted Assets; Q2  
 Bonds; Q2; Q6; Q11.1; Q11.2; QE04; QE05  
 Bonuses; Q3; Q4; Q8; Q9  
 Borrowed Funds; Q3; Q6  
 Business Combinations and Goodwill; Q10, Note 3  
 Capital Gains (Losses)  
     Realized; Q4  
     Unrealized; Q4; Q5  
 Capital Stock; Q3; Q10, Note 13  
 Capital Notes; Q6; Q10, Note 11  
 Caps; QE06; QSI04  
 Cash; Q2; Q6; QE12  
 Cash Equivalents; Q2; Q6; QE13  
 Claims; Q3; Q4; Q8; Q9  
 Collars; QE06; QSI04  
 Commissions; Q6  
 Common Stock; Q2; Q3; Q6; Q11.1; Q11.2  
 Cost Containment Expenses; Q4  
 Contingencies; Q10, Note 14  
 Counterparty Exposure; Q10, Note 8; QE06; QE08  
 Debt; Q10, Note 11  
 Deferred Compensation; Q10, Note 12  
 Derivative Instruments; Q10, Note 8; QSI04; QSI05; QSI06; QSI07; QE06; QE07; QE08  
 Discontinued Operations; Q10, Note 4  
 Electronic Data Processing Equipment; Q2  
 Encumbrances; Q2; QSI01; QE01  
 Emergency Room; Q4  
 Expenses; Q3; Q4; Q6  
 Extinguishment of Liabilities; Q10, Note 17  
 Extraordinary Item; Q10, Note 21  
 Fair Value; Q7, Note 20  
 Fee for Service; Q4  
 Foreign Exchange; Q2; Q3; Q5; QSI01; QSI03; QE01; QE02; QE03; QE05  
 Forwards; QE06; QSI04  
 Furniture, Equipment and Supplies; Q2  
 Guaranty Fund; Q2  
 Health Care Receivables; Q2; Q9; Q10, Note 28  
 Holding Company; Q16  
 Hospital/Medical Benefits; Q4  
 Incentive Pools; Q3; Q4; Q8; Q9  
 Income; Q4; Q5; Q6  
 Income Taxes; Q2; Q3; Q4; Q5; Q10, Note 9  
 Incurred Claims and Claim Adjustment Expenses; Q10, Note 25  
 Intercompany Pooling; Q10, Note 26  
 Investment Income; Q10, Note 7  
     Accrued; Q2  
     Earned; Q2; QSI03  
     Received; Q6  
 Investments; Q10, Note 5; Q11.1; Q11.2; QE08  
 Joint Venture; Q10, Note 6  
 Leases; Q10, Note 15  
 Limited Liability Company (LLC); Q10, Note 6  
 Limited Partnership; Q10, Note 6  
 Long-Term Invested Assets; Q2; QE03  
 Managing General Agents; Q10, Note 19  
 Medicare Part D Coverage; QSupp1  
 Member Months; Q4; Q7  
 Mortgage Loans; Q2; Q6; Q11.1; QSI01; QE02  
 Nonadmitted Assets; Q2; Q5; QSI01; QSI03  
 Off-Balance Sheet Risk; Q10, Note 16  
 Options; QE06; QSI04  
 Organizational Chart; Q11; Q14  
 Out-of-Area; Q4  
 Outside Referrals; Q4  
 Parent, Subsidiaries and Affiliates; Q2; Q3; Q10, Note 10; Q11.1  
 Participating Policies; Q10, Note 29  
 Pharmaceutical Rebates; Q10, Note 28  
 Policyholder Dividends; Q5; Q6  
 Postemployment Benefits; Q10, Note 12  
 Postretirement Benefits; Q10, Note 12  
 Preferred Stock; Q2; Q3; Q6; Q11.1; Q11.2

## INDEX TO HEALTH QUARTERLY STATEMENT

Premium Deficiency Reserves; Q10, Note 30  
Premiums and Considerations  
    Advance; Q3  
    Collected; Q6  
    Deferred; Q2  
    Direct; Q7; Q13  
    Earned; Q7  
    Retrospective; Q2  
    Uncollected; Q2  
    Unearned; Q4  
    Written; Q4; Q7  
Prescription Drugs; Q4  
Quasi Reorganizations; Q10, Note 13  
Real Estate; Q2; Q6; QE01; QSI01  
Redetermination, Contracts Subject to; Q10, Note 24  
Reinsurance; Q9; Q10, Note 23  
    Ceded; Q3; Q12  
    Funds Held; Q2  
    Payable; Q3  
    Premiums; Q3  
    Receivable; Q2; Q4  
    Unauthorized; Q3; Q5  
Reserves  
    Accident and Health; Q3; Q4  
    Claim; Q3; Q5; Q8  
    Life; Q3  
Retirement Plans; Q10, Note 12  
Retrospectively Rated Policies; Q10, Note 24  
Risk Revenue; Q4  
Salvage and Subrogation; Q10, Note 31  
Securities Lending; Q2; Q3; QE09; QE11  
Servicing of Financial Assets; Q10, Note 17  
Short-Term Investments; Q2; Q6; Q11.1; QSI03  
Stockholder Dividends; Q5; Q6  
Subsequent Events; Q10, Note 22  
Surplus; Q3; Q5; Q6  
Surplus Notes; Q3; Q5; Q6  
Swaps; QE07; QSI04  
Synthetic Assets; QSI04; QSI05  
Third Party Administrator; Q10, Note 19  
Treasury Stock; Q3; Q5  
Uninsured Accident and Health; Q2; Q3; Q10, Note 18  
Valuation Allowance; QSI01  
Wash Sales; Q10, Note 17  
Withholds; Q4; Q8